AMENDED IN ASSEMBLY JULY 1, 2015 AMENDED IN SENATE APRIL 7, 2015

SENATE BILL

No. 42

Introduced by Senator Liu

December 2, 2014

An act to amend Section 27.6 of the Business and Professions Code. to amend Sections 11001, 11005, 11700, 12200, 32500, 44212, 44784, 52342, 52957, 54703, 66010.4, 66010.6, 66010.7, 66040.3, 66742, 66743, 66901, 66903, 66903.3, 66905, 67002, 67003, 67312, 67382, 68052, 69562, 69655, 69966, 74292, 81004, 81005, 89002, 89011, 89070.35, 89070.40, 89720, 92605, 94155, 99151, 99181, 99182, and 99202 of, to amend the heading of Chapter 11 (commencing with Section 66900) of Part 40 of Division 5 of Title 3 of, to add Section 66941 to, to repeal Sections 45351, 66902.5, 66903.1, and 87482.4 of, and to repeal and add Sections 66900 and 66903.2 of, the Education Code, to amend Section 11126 of the Government Code, to amend Section 128030 of, and to repeal Section 127785 of, the Health and Safety Code, to amend Section 24357.8 of the Revenue and Taxation Code, to amend Section 10529 of the Unemployment Insurance Code, and to amend Sections 4341.5 and 4421 of the Welfare and Institutions add Sections 66010.96, 66010.97, and 66010.98 to the Education Code, relating to postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

SB 42, as amended, Liu. Postsecondary education: California Commission on Higher Education Performance and Accountability. Existing law establishes the University of California, under the administration of the Regents of the University of California, the California State University, under the administration of the Trustees

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of the California State University, and the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as the 3 public segments of postsecondary education in this state.

Existing law states the intent of the Legislature that budget and policy decisions regarding postsecondary education generally adhere to 3 specified goals and that appropriate metrics be identified, defined, and formally adopted, based upon metrics recommended by a working group, to monitor progress toward the achievement of the goals.

Existing law establishes the California Postsecondary Education Commission (CPEC) as the statewide postsecondary education coordinating and planning agency, and provides for its functions and responsibilities. Existing law also provides for the composition of CPEC's membership. The annual state Budget Acts from the 2011–12 fiscal year to the 2015–16 fiscal year, inclusive, have provided no funding for CPEC.

This bill would change the composition of, and rename, CPEC as the California Commission on establish the Office of Higher Education Performance and Accountability, and would recast and revise its various functions and responsibilities. The bill would make conforming changes to, delete obsolete provisions of, and make numerous nonsubstantive changes to, existing law. Accountability as the statewide postsecondary education and planning entity. The bill would provide for the appointment by the Governor, subject to confirmation by a majority of the membership of the Senate, of an executive director of the office. The bill would establish a 6-member advisory board to the office for the purpose of reviewing and commenting on any recommendations made by the office to the Governor and the Legislature.

The bill would specify the functions and responsibilities of the office, which would include, among other things, the articulation and monitoring of state performance objectives for higher education, advising the Legislature and the Governor regarding the need for, and the location of, new institutions and campuses of public higher education, acting as a clearinghouse for postsecondary education information and as a primary source of information for the Legislature, the Governor, and other agencies, and reviewing all proposals for changes in eligibility pools for admission to public institutions and segments of postsecondary education.

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The bill would require the office to report to the Legislature and the Governor on or before December 31 of each year regarding its progress in achieving specified objectives and responsibilities.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 66010.96 is added to the Education Code, 2 to read:

66010.96. (a) The Office of Higher Education Performance and Accountability is hereby established as the statewide postsecondary education coordination and planning entity. The office shall be established in state government within the Governor's office, and shall be under the direct control of an executive director.

- (b) The Governor shall appoint the Executive Director of the Office of Higher Education Performance and Accountability, who shall perform all duties, exercise all powers, assume and discharge all responsibilities, and carry out and effect all purposes vested by law in the office, including contracting for professional or consultant services in connection with the work of the office. The appointment of the executive director shall be subject to confirmation by the affirmative vote of a majority of the membership of the Senate. The executive director shall appoint persons to any staff positions the Governor may authorize.
- (c) The Governor may appoint the executive director at a salary that shall be fixed pursuant to Section 12001 of the Government Code.
- (d) An advisory board to the office is established for the purpose of reviewing and commenting on any recommendations made by the Office to the Governor and the Legislature. The advisory board shall consist of six public members with experience in postsecondary education, appointed as follows:
- (1) Three members of the advisory board shall be appointed by the Senate Committee on Rules.
- (2) Three members of the advisory board shall be appointed by the Speaker of the Assembly.
- (e) The office may consult with the higher education segments, as appropriate, in the conduct of its duties and responsibilities.

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1 SEC. 2. Section 66010.97 is added to the Education Code, to 2 read:

66010.97. The Office of Higher Education Performance and Accountability shall exist for the purpose of advising the Governor, the Legislature, and other appropriate governmental officials and institutions of postsecondary education. The office shall have the following functions and responsibilities in its capacity as the statewide postsecondary education planning and coordinating agency and advisor to the Legislature and the Governor:

- (a) It shall articulate and monitor state performance objectives for higher education.
- (b) It shall advise the Legislature and the Governor regarding the need for, and the location of, new institutions and campuses of public higher education.
- (c) It shall review proposals by the public segments for new programs, the priorities that guide the public segments, and the degree of coordination by those segments with nearby public, independent, and private postsecondary educational institutions, and shall make recommendations regarding those proposals to the Legislature and the Governor.
- (d) (1) It shall act as a clearinghouse for postsecondary education information and as a primary source of information for the Legislature, the Governor, and other agencies. It shall develop and maintain a comprehensive database that does all of the following:
 - (A) Ensures comparability of data from diverse sources.
- (B) Supports longitudinal studies of individual students as they progress through the state's postsecondary educational institutions through the use of a unique student identifier.
- (C) Maintains compatability with California School Information Services and the student information systems developed and maintained by the public segments of higher education, as appropriate.
- (D) Provides Internet access to data, as appropriate, to the sectors of higher education.
- (E) Provides each of the educational segments access to the data made available to the commission for purposes of the database, in order to support, most efficiently and effectively, statewide, segmental, and individual campus educational research information needs.

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(2) The office, in implementing paragraph (1), shall comply with the federal Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Sec. 1232g) as it relates to the disclosure of personally identifiable information concerning students.

- (3) The office may not make available any personally identifiable information received from a postsecondary educational institution concerning students for any regulatory purpose unless the institution has authorized the office to provide that information on behalf of the institution.
- (4) The office shall provide 30-day notification to the chairpersons of the appropriate policy and budget committees of the Legislature, to the Director of Finance, and to the Governor before making any significant changes to the student information contained in the database.
- (e) It shall review all proposals for changes in eligibility pools for admission to public institutions and segments of postsecondary education, and shall make recommendations to the Legislature, the Governor, and institutions of postsecondary education. In carrying out this subdivision, the office periodically shall conduct a study of the percentages of California public high school graduates estimated to be eligible for admission to the University of California and the California State University.
- (f) It shall, through its use of information and its analytic capacity, inform the identification and periodic revision of state goals and priorities for higher education in a manner that is consistent with the goals outlined in Section 66010.91 and the metrics outlined in Sections 89295 and 92675. It shall, biennially, interpret and evaluate both statewide and institutional performance in relation to these goals and priorities.
- (g) It shall submit reports to the Legislature in compliance with Section 9795 of the Government Code.
- (h) It shall manage data systems and maintain programmatic, policy, and fiscal expertise to receive and aggregate information reported by the institutions of higher education in this state.
- SEC. 3. Section 66010.98 is added to the Education Code, to read:
- 66010.98. On or before December 31 of each year, the office shall report to the Legislature and the Governor regarding its progress in achieving the objectives and responsibilities set forth in subdivision (a) of Section 66010.97.

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SECTION 1. Section 27.6 of the Business and Professions
Code is amended to read:

- 27.6. The successor agency to the Bureau for Private Postsecondary and Vocational Education shall transmit any available data regarding school performance, including, but not limited to, attendance and graduation rates, it receives from any schools under its jurisdiction to the California Commission on Higher Education Performance and Accountability.
- 9 SEC. 2. Section 11001 of the Education Code is amended to 10 read:
 - 11001. (a) The Chancellor of the California State University shall establish an advisory committee to assist in selecting proposals to be funded and developing criteria for project evaluation. The committee shall be composed of the following members:
 - (1) Two certificated secondary school teachers, including at least one junior high or intermediate school teacher, appointed by the Superintendent.
 - (2) Two certificated secondary school employees with responsibility for curriculum administration, appointed by the Superintendent.
 - (3) One director of a regional consortium participating in the California Student Opportunity Access Program established pursuant to Chapter 113 of the Statutes of 1978, appointed by the Student Aid Commission.
 - (4) Two representatives of the California Community Colleges, to be appointed by the Board of Governors of the California Community Colleges, at least one of whom shall be a faculty member.
 - (5) Two representatives of the California State University, to be appointed by the Chancellor of the California State University, at least one of whom shall be a faculty member.
 - (6) Two representatives of the University of California, appointed by the President of the University of California, at least one of whom shall be a faculty member.
 - (7) One representative, appointed by the Director of the California Commission on Higher Education Performance and Accountability.

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(b) Faculty appointments to the advisory committee shall be made by the appropriate appointing authority through consultation with the faculty senate.

SEC. 3. Section 11005 of the Education Code is amended to read:

11005. Based upon evaluations conducted pursuant to former Section 11004, the California Commission on Higher Education Performance and Accountability may identify projects that are ineffective or not cost-effective for termination. Funds made available as a result of that termination shall be reallocated for the awarding of new grants pursuant to Section 11003.

SEC. 4. Section 11700 of the Education Code is amended to read:

11700. (a) It is the intent of the Legislature that the Center for International Education Synergy be established through a joint powers agreement, entered into pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, between the Sweetwater Union High School District, the Southwestern Community College District, and San Diego State University. It is the intent of the Legislature that a joint powers agency created pursuant to the joint powers agreement own and maintain the land and facilities for the Center for International Education Synergy at the Southwestern College Higher Education Center at Otay Mesa.

- (b) In addition to funding appropriated by the Legislature for purposes of the Center for International Education Synergy, entities participating in the establishment and operation of the center are encouraged to seek supplemental funding, including, but not limited to, funding from foundations, corporations, and other public entities.
- (c) Any postsecondary education facilities and programs developed pursuant to this section shall be subject to the requirements of Section 66903 as they apply to the governing boards of public postsecondary educational institutions.
- (d) The Center for International Education Synergy shall be established only upon approval by the California Commission on Higher Education Performance and Accountability based on a needs study and subsequent approval from the Department of Finance.

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SEC. 5. Section 12200 of the Education Code is amended to read:

12200. (a) The state board is vested with all necessary power and authority to perform all acts necessary to authorize governing boards of districts maintaining community colleges to receive the benefits and to expend the funds provided by any acts of Congress under which districts maintaining community colleges may be eligible to receive benefits, including, but not limited to, Title VII of the National Housing Act of 1961 (Public Law 87-70), as amended, and any of the acts of Congress referred to in this chapter. The state board is vested with all necessary power and authority to authorize districts maintaining community colleges to cooperate with the government of the United States, or any agency or agencies thereof, for the purpose of receiving the benefits and expending the funds provided by those acts of Congress, or any rules or regulations adopted under those acts, or any state plan or rules or regulations of the California Commission on Higher Education Performance and Accountability adopted in accordance with any of those acts of Congress under which the California Commission on Higher Education Performance and Accountability is designated in this chapter as the state educational agency. Whenever necessary to secure the full benefits of those acts of Congress, the governing board may give such security as may be required and may comply with such conditions as may be imposed by the federal government. The funds received by the district under the provisions of those acts of Congress shall be deposited in the county treasury, as provided for in Section 84001.

- (b) This section is applicable to only those acts of Congress that have been enacted before January 1, 1967.
- SEC. 6. Section 32500 of the Education Code is amended to read:

32500. (a) In order to encourage greater involvement of educational institutions in planning and developing prison-based educational programs, the Secretary of the Department of Corrections and Rehabilitation, the Chancellor of the California State University, the Chancellor of the California Community Colleges, and the Superintendent, with the advice of the California Commission on Higher Education Performance and Accountability, shall enter into interagency agreements. These agreements shall provide for, but not be limited to, all of the following:

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1 (1) A determination of the roles of the Department of
2 Corrections and Rehabilitation, the Office of the Chancellor of the
3 California State University, the Office of the Chancellor of the
4 California Community Colleges, and the State Department of
5 Education, in developing policy for prison-based educational
6 programs.

(2) Joint policy and program planning.

- (b) The Secretary of the Department of Corrections and Rehabilitation, the Chancellor of the California State University, the Chancellor of the California Community Colleges, and the Superintendent shall appoint an advisory committee to do, but not be limited to doing, all of the following:
- (1) Making recommendations on the use of instructional television in these programs.
- (2) Reviewing and making recommendations relating to any proposed budgets for these programs.
- (3) Reviewing and making recommendations relating to the implementation of the interagency agreement.
- (c) Notwithstanding the other provisions of this section, the Secretary of the Department of Corrections and Rehabilitation shall administer all prison-based education programs.
- SEC. 7. Section 44212 of the Education Code, as amended by Section 37 of Chapter 71 of the Statutes of 2014, is amended to read:
- 44212. (a) The Regents of the University of California, the Trustees of the California State University, the California Commission on Higher Education Performance and Accountability, and the Association of Independent California Colleges and Universities shall each appoint a representative to serve as member ex officio without vote in proceedings of the commission.
- (b) The ex officio members shall not vote in the proceedings of the commission or in any of its committees or subcommittees, except, by a majority vote of the commission, ex officio members may be permitted to vote in committees or subcommittees in order to establish a quorum or as otherwise determined by majority vote of the commission.
- 37 SEC. 8. Section 44784 of the Education Code is amended to 38 read:

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44784. (a) The institution selected under Section 44782 shall be assisted by an advisory committee, the function of which shall be:

- (1) To review and comment on plans for the establishment of the resource centers.
- (2) To assist in determining criteria for local and private funding matches to be required for the operation of each resource center.
- (3) To advise the project on the selection of proposals for funding.
- (b) The advisory committee shall be composed of the following
- (1) Ten members appointed by representatives of higher education, two each to be selected by the President of the University of California, the Chancellor of the California State University, the Chancellor of the California Community Colleges, the Association of Independent California Colleges and Universities, and the California Commission on Higher Education Performance and Accountability. At least one of the appointees of each of these appointing entities shall be an elementary or secondary school classroom teacher with classroom experience in international studies instruction.
- (2) Four public members with special interest or competence in international affairs, representing business, community, and subject area educational organizations, one each to be selected by the Superintendent, the Governor, the Speaker of the Assembly, and the Senate Committee on Rules.
- (3) Three certificated school teachers, or other educators, with classroom experience in international studies instruction, to be designated by the institution selected to operate the project.
 - SEC. 9. Section 45351 of the Education Code is repealed.
- SEC. 10. Section 52342 of the Education Code is amended to read:
- 52342. In the implementation of this article, the State Department of Education shall, on a regular basis, advise and consult with representatives of the Employment Development Department, the Board of Governors of the California Community Colleges, the California Commission on Higher Education
- 38 Performance and Accountability, the University of California, the
- 39 Chancellor of the California State University, the Commission on
- 40 Teacher Credentialing, the Department of Industrial Relations, the

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Department of Consumer Affairs, the California Advisory Council
 on Career Technical Education and Technical Training, and the
 State Personnel Board.

- 4 SEC. 11. Section 52957 of the Education Code is amended to 5 read:
 - 52957. The advisory committee shall include:

- (a) One representative selected by the California Commission on Higher Education Performance and Accountability.
- (b) Two representatives selected by the President of the University of California, one of whom has the responsibility for teaching science.
- (c) Two representatives selected by the Chancellor of the California State University, one of whom has the responsibility for teaching science.
- (d) Two representatives selected by the Chancellor of the California Community Colleges, one of whom has the responsibility for teaching science.
- (e) Four public school classroom teachers of science, and one additional representative, selected by the Superintendent.
- (f) One teacher of science plus a representative selected by the Association of Independent California Colleges and Universities.
- (g) One representative of business and industry selected by the Industry Education Council of California.
- (h) One representative of California labor, selected by the California branch of the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO).
- (i) One representative of the National Science Supervisors Association.
- (j) One representative of a national laboratory, selected by the Regents of the University of California.
- SEC. 12. Section 54703 of the Education Code is amended to read:
- 54703. The Superintendent shall prepare rules and regulations necessary to implement the provisions of this article, including rules and regulations that:
- (a) Prescribe the procedure by which a district shall identify pupils who are traditionally underrepresented in higher education.
- (b) Provide for the rendering of technical assistance that, upon request, shall be available to enable school districts and schools

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to design, implement, or evaluate the University and College
 Opportunities Program authorized by this article.

- (e) Identify effective practices regarding, but not necessarily limited to, college and university opportunities programs, and disseminate information regarding these programs to each participating school district and county superintendent of schools.
- (d) Develop, in conjunction with the California Commission on Higher Education Performance and Accountability, common data elements that can be used by secondary and postsecondary educators to assess and improve program performance.
- SEC. 13. Section 66010.4 of the Education Code is amended to read:
- 66010.4. The missions and functions of California's public and independent segments, and their respective institutions of higher education shall be differentiated as follows:
- (a) (1) The California Community Colleges shall, as a primary mission, offer academic and vocational instruction at the lower division level for both younger and older students, including those persons returning to school. Public community colleges shall offer instruction through but not beyond the second year of college. These institutions may grant the associate in arts and the associate in science degree.
- (2) In addition to the primary mission of academic and vocational instruction, the community colleges shall offer instruction and courses to achieve all of the following:
- (A) The provision of remedial instruction for those in need of it and, in conjunction with the school districts, instruction in English as a second language, adult noncredit instruction, and support services that help students succeed at the postsecondary level are reaffirmed and supported as essential and important functions of the community colleges.
- (B) The provision of adult noncredit education curricula in areas defined as being in the state's interest is an essential and important function of the community colleges.
- (C) The provision of community services courses and programs is an authorized function of the community colleges so long as their provision is compatible with an institution's ability to meet its obligations in its primary missions.
- (3) A primary mission of the California Community Colleges is to advance California's economic growth and global

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competitiveness through education, training, and services that contribute to continuous workforce improvement.

- (4) The community colleges may conduct, to the extent that state funding is provided, institutional research concerning student learning and retention as is needed to facilitate their educational missions.
- (b) The California State University shall offer undergraduate and graduate instruction through the master's degree in the liberal arts and sciences and professional education, including teacher education. Presently established two-year programs in agriculture are authorized, but other two-year programs shall be permitted only when mutually agreed upon by the Trustees of the California State University and the Board of Governors of the California Community Colleges. The doctoral degree may be awarded jointly with the University of California, as provided in subdivision (c) and pursuant to Section 66904. The doctoral degree may also be awarded jointly with one or more independent institutions of higher education, provided that the proposed doctoral program is approved by the California Commission on Higher Education Performance and Accountability. Research, scholarship, and creative activity in support of its undergraduate and graduate instructional mission is authorized in the California State University and shall be supported by the state. The primary mission of the California State University is undergraduate and graduate instruction through the master's degree.
- (c) The University of California may provide undergraduate and graduate instruction in the liberal arts and sciences and in the professions, including the teaching professions. It shall have exclusive jurisdiction in public higher education over instruction in the profession of law and over graduate instruction in the professions of medicine, dentistry, and veterinary medicine. It has the sole authority in public higher education to award the doctoral degree in all fields of learning, except that it may agree with the California State University to award joint doctoral degrees in selected fields. The University of California shall be the primary state-supported academic agency for research.
- (d) The independent institutions of higher education shall provide undergraduate and graduate instruction and research in accordance with their respective missions.

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SEC. 14. Section 66010.6 of the Education Code is amended to read:

- 66010.6. (a) The missions of agencies charged with coordination, administration, or implementation of higher education policies and programs in California shall be as follows:
- (1) The California Commission on Higher Education Performance and Accountability is the statewide postsecondary education coordinating and planning agency. The commission shall serve as a principal fiscal and program advisor to the Governor and the Legislature on postsecondary educational policy. Consistent with Section 66903, the commission's responsibilities shall include, but not be limited to, all of the following:
- (A) Analysis and recommendations related to long-range planning for public postsecondary education.
- (B) Analysis of state policy and programs involving the independent and private postsecondary educational sectors.
- (C) Analysis and recommendations related to program and policy review.
 - (D) Resource analysis.
 - (E) Maintenance and publication of pertinent public information relating to all aspects of postsecondary education.
 - (2) The California Commission on Higher Education Performance and Accountability shall consult with the postsecondary educational segments and with relevant state agencies, including the Student Aid Commission, the Superintendent and other relevant parties, in its preparation of analyses and recommendations to the Governor and the Legislature. However, the commission shall remain an independent and nonpartisan body responsible for providing an integrated and segmentally unbiased view for purposes of state policy formulation and evaluation.
 - (b) (1) The Student Aid Commission is the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. These programs include grant, work study, and loan programs supported by the state and the federal government.
- (2) Consistent with this responsibility, the Student Aid Commission shall provide, in consultation with the postsecondary education segments and relevant state agencies, policy leadership

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on student financial aid issues, evaluate the effectiveness of its programs, conduct research and long-range planning as a foundation for program improvement, report on total state financial aid needs, and disseminate information to students and their families.

- (c) The Bureau for Private Postsecondary Education is the primary state agency responsible for approving and regulating private postsecondary and vocational educational institutions and for developing state policies for private postsecondary and vocational education in California. The bureau shall represent the private postsecondary and vocational education institutions in all state level planning and policy discussions about postsecondary and vocational education.
- SEC. 15. Section 66010.7 of the Education Code is amended to read:
- 66010.7. (a) The Legislature, through the enactment of this section, expresses its commitment to encourage and support collaboration and coordination among all segments of education.
- (b) Within the differentiation of segmental functions outlined in this article, the institutions of higher education shall undertake intersegmental collaboration and coordination particularly when it can do any of the following:
- (1) Enhance the achievement of the institutional missions shared by the segments.
- (2) Provide more effective planning of postsecondary education on a statewide basis.
 - (3) Facilitate achievement of the goals of educational equity.
- (4) Enable public and independent higher education to meet more effectively the educational needs of a geographic region.
- (5) Facilitate student progress from one segment to another, particularly with regard to preparation of students for higher education as well as the transfer from campuses of the California Community Colleges to four-year institutions.
- (c) The leaders responsible for public and independent institutions of higher education and the Superintendent shall work together to promote and facilitate the development of intersegmental programs and other cooperative efforts aimed at improving the progress of students through the educational systems and at strengthening the teaching profession at all levels.

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(d) The California Commission on Higher Education Performance and Accountability shall be responsible for reviewing and evaluating the effectiveness of intersegmental activities in accomplishing the established goals, and shall report its findings to the Governor and Legislature biennially.

SEC. 16. Section 66040.3 of the Education Code is amended to read:

66040.3. (a) Pursuant to Section 66040, and notwithstanding Section 66010.4, in order to meet specific educational leadership needs in the California public schools and community colleges, the California State University is authorized to award the Doctor of Education (Ed.D.) degree as defined in this section. The authority to award degrees granted by this article is limited to the discipline of education. The Doctor of Education degree offered by the California State University shall be distinguished from doctoral degree programs at the University of California.

- (b) The Doctor of Education degree offered by the California State University shall be focused on preparing administrative leaders for California public elementary and secondary schools and community colleges and on the knowledge and skills needed by administrators to be effective leaders in California public schools and community colleges. The Doctor of Education degree offered by the California State University shall be offered through partnerships through which the California public elementary and secondary schools and community colleges shall participate substantively in program design, candidate recruitment and admissions, teaching, and program assessment and evaluation. This degree shall enable professionals to earn the degree while working full time.
- (c) This article does not limit or preclude the California Commission on Higher Education Performance and Accountability from exercising its authority under Chapter 11 (commencing with Section 66900) to review, evaluate, and make recommendations relating to, any and all programs established under this article.
- SEC. 17. Section 66742 of the Education Code is amended to read:
- 66742. (a) The governing boards of the three public segments of higher education shall present annual statistical reports on transfer patterns via the California Commission on Higher Education Performance and Accountability to the Governor and

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Legislature. The reports shall include recent statistics on student enrollments by campus, segment, gender, ethnicity, and the ratio of upper division to lower division, including information on both freshman and transfer student access to the system. These reports should include, to the extent that data are available or become available, data on application, admission, and enrollment information for all students by sex, ethnicity, and campus. For transfer students, this data shall indicate the segment of origin for all students. In addition, data shall be separately identified for transfer students from California Community Colleges, and shall identify the subset of applications that are completed together with admission, enrollment, and declared major information for that group.

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(b) The reports shall describe the number of transfer agreements, if any, whose terms and conditions were not satisfied by either the California State University or the University of California, the number of California Community College transfer students denied either admission to the student's first choice of a particular campus of the California State University or the University of California or the student's first choice of a major field of study, and, among those students, the number of students who, upon denial of either of the student's first choices, immediately enrolled at another campus of the California State University or the University of California. The reports shall also include information by sex and ethnicity on retention and degree completion for transfer students as well as for native students, and the number and percentage of baccalaureate degree recipients who transferred from a community eollege campus.

SEC. 18. Section 66743 of the Education Code is amended to read:

66743. The California Commission on Higher Education Performance and Accountability is requested to convene an intersegmental advisory committee on transfer access and performance for purposes of presenting biennial reports to the Governor and the Legislature on the status of transfer policies and programs, the diligence of each segment's board, and the effectiveness of these programs in meeting the state's goals for transfer. The report shall include information about all of the following:

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(a) The effectiveness of transfer agreement programs and activities in enhancing the transfer function overall as well as the extent to which transfer program activities have been directed at students who have been historically underrepresented in the University of California and the California State University.

- (b) The status of the implementation of the transfer core eurriculum, as described in Section 66720, for each community college, including information about the extent to which sophomore level courses needed for transfer are available on all community college campuses.
- (c) Progress that has been made in achieving articulation agreements in those specific majors that have lower division prerequisites, and the dissemination of this information. The committee shall also explore methods to systematically measure the extent to which the state's goals of freshmen and transfer student access are being met, including analyses of the number of fully eligible freshmen or transfer students who are denied access to the system, and the reasons for that denial. The committee shall also address ways in which sharing of information about transfer students among the segments can be improved, including early identification of potential transfer students for intensive recruitment purposes.
- (d) The Governor and the Legislature shall monitor the success of the University of California and the California State University in achieving their targeted enrollment levels and in implementing these reforms. A substantial failure to implement reform, to achieve the 60/40 ratio by the designated dates, or to improve the transfer rate of historically underrepresented groups significantly, shall precipitate legislative hearings to determine the reasons why any one or all of these goals have not been met.

SEC. 19. The heading of Chapter 11 (commencing with Section 66900) of Part 40 of Division 5 of Title 3 of the Education Code is amended to read:

Chapter 11. California Commission on Higher Education
Performance and Accountability

SEC. 20. Section 66900 of the Education Code is repealed. SEC. 21. Section 66900 is added to the Education Code, to read:

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66900. For purposes of this chapter, the following terms have the following meanings:

- (a) "Commission" means the California Commission on Higher Education Performance and Accountability, established pursuant to subdivision (a) of Section 66901.
- (b) "Director" means the Director of the California Commission on Higher Education Performance and Accountability, appointed by the commission pursuant to subdivision (m) of Section 66901. SEC. 22. Section 66901 of the Education Code is amended to read:
- 66901. (a) There is hereby established the California Commission on Higher Education Performance and Accountability, which shall be advisory to the Governor, the Legislature, other appropriate governmental officials, and institutions of postsecondary education. The commission shall be composed of 17 members of the general public, appointed as follows:
- (1) Four members shall be appointed by the Speaker of the Assembly.
- (2) Four members shall be appointed by the Senate Committee on Rules.
- (3) Nine members, including a chairperson of the commission, shall be appointed by the Governor, subject to confirmation by the Senate.
- (b) A person who is employed by any institution of public or private postsecondary education shall not be appointed to or serve on the commission, except that a person who is not a permanent, full-time employee and who has part-time teaching duties that do not exceed six hours per week may be appointed to and serve on the commission.
- (c) Appointments to the commission shall be representative of civic, business, and public school leaders.
- (d) The commission members shall serve at the pleasure of their respective appointing authorities. The members appointed pursuant to paragraphs (1) and (2) of subdivision (a) shall each serve a six-year term. The members appointed pursuant to paragraph (3) of subdivision (a) shall initially serve a three-year term, and shall serve a six-year term thereafter. The respective appointing authority may appoint an alternate for each member who may, during the member's absence, serve on the commission and vote on matters before the commission. When vacancies occur prior to expiration

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of terms, the respective appointing authority may appoint a member for the remainder of the term.

- (e) Any person appointed pursuant to this section may be reappointed to serve additional terms.
- (f) All terms subsequent to the initial appointments shall begin on January 1 of the year in which the respective terms are to start.
- (g) Any person appointed pursuant to this section who no longer has the position that made him or her eligible for appointment may nonetheless complete his or her term of office on the commission.
- (h) A person appointed pursuant to this section shall not, with respect to any matter before the commission, vote for or on behalf of, or in any way exercise the vote of, any other member of the commission.
- (i) The commission shall meet as often as it deems necessary to carry out its duties and responsibilities.
- (j) Any member of the commission who in any calendar year misses more than one-third of the meetings of the full commission forfeits his or her office, thereby creating a vacancy.
- (k) There is established an advisory committee to the commission and the director, consisting of the chief executive officers of each of the public segments, or their designees, the Superintendent or his or her designee, one student representative who shall be enrolled at a California postsecondary educational institution at the time of appointment and during the term of service, one executive officer from among the independent California colleges and universities that are formed and operated as nonprofit corporations in this state and are accredited by a regional association that is recognized by the United States Department of Education, and one executive officer of the Council for Private Postsecondary and Vocational Education to be designated by the commission. Commission meeting agenda items and associated documents shall be provided to the committee in a timely manner for its consideration and comments.
- (1) The commission may appoint any subcommittees or advisory committees it deems necessary to advise the commission on matters of educational policy. The advisory committees may consist of commission members or nonmembers, or both, including students, faculty members, segmental representatives, governmental representatives, and representatives of the public.

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(m) The commission shall appoint a director, subject to confirmation by the Senate. The director shall appoint persons to any staff positions the commission may authorize.

- (n) The commission shall prescribe rules for the transaction of its own affairs, subject to all the following requirements and limitations:
 - (1) The votes of all representatives shall be recorded.

- (2) Effective action shall require the affirmative vote of a majority of all the duly appointed members of the commission, not including vacant commission seats.
- (3) The affirmative votes of two-thirds of all the duly appointed members of the commission, not including vacant commission seats, shall be necessary to appoint the director.
- SEC. 23. Section 66902.5 of the Education Code is repealed. SEC. 24. Section 66903 of the Education Code is amended to read:
- 66903. The commission has the following functions and responsibilities in its capacity as the statewide postsecondary education planning and coordinating agency and adviser to the Legislature and the Governor:
- (a) It shall articulate and monitor state performance objectives for higher education.
- (b) It shall advise the Legislature and the Governor regarding the need for, and location of, new institutions and campuses of public higher education.
- (c) It shall review proposals by the public segments for new programs, the priorities that guide them, and the degree of coordination with nearby public, independent, and private postsecondary educational institutions, and shall make recommendations regarding those proposals to the Legislature and the Governor.
- (d) (1) It shall act as a clearinghouse for postsecondary education information and as a primary source of information for the Legislature, the Governor, and other agencies. It shall develop and maintain a comprehensive database that does all of the following:
- (A) Ensures comparability of data from diverse sources.
- (B) Supports longitudinal studies of individual students as they progress through the state's postsecondary educational institutions,

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based upon the commission's existing student database through
 the use of a unique student identifier.

- (C) Is compatible with California School Information Services and the student information systems developed and maintained by the public segments of higher education, as appropriate.
- (D) Provides Internet access to data, as appropriate, to the sectors of higher education.
- (E) Provides each of the educational segments access to the data made available to the commission for purposes of the database, in order to support, most efficiently and effectively, statewide, segmental, and individual campus educational research information needs.
- (2) The commission, in implementing paragraph (1), shall comply with the federal Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Sec. 1232g) relating to the disclosure of personally identifiable information concerning students.
- (3) The commission may not make available any personally identifiable information received from a postsecondary educational institution concerning students for any regulatory purpose unless the institution has authorized the commission to provide that information on behalf of the institution.
- (4) The commission shall provide 30-day notification to the chairpersons of the appropriate legislative policy and budget committees of the Legislature, to the Director of Finance, and to the Governor before making any significant changes to the student information contained in the database.
- (e) It shall review all proposals for changes in eligibility pools for admission to public institutions and segments of postsecondary education, and shall make recommendations to the Legislature, the Governor, and institutions of postsecondary education. In earrying out this subdivision, the commission periodically shall conduct a study of the percentages of California public high school graduates estimated to be eligible for admission to the University of California and the California State University.
- (f) It shall, through its use of information and its analytic eapacity, inform the identification and periodic revision of state goals and priorities for higher education in a manner that is consistent with the goals outlined in Section 66010.91 and the metrics outlined in Sections 89295 and 92675. It shall, biennially,

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interpret and evaluate both statewide and institutional performance in relation to these goals and priorities.

- (g) It shall submit reports to the Legislature in compliance with Section 9795 of the Government Code.
- (h) It shall manage data systems and maintain programmatic, policy, and fiscal expertise to receive and aggregate information reported by the institutions of higher education in this state.
 - (i) It shall perform all other duties assigned by the Legislature. SEC. 25. Section 66903.1 of the Education Code is repealed.
- SEC. 26. Section 66903.2 of the Education Code is repealed.
- SEC. 27. Section 66903.2 is added to the Education Code, to read:
- 66903.2. On or before December 31 of each year, the commission shall report to the Legislature and the Governor regarding its progress in achieving the objectives and responsibilities set forth in subdivision (a) of Section 66903.
- SEC. 28. Section 66903.3 of the Education Code is amended to read:
- 66903.3. The commission may delegate to the director any power, duty, purpose, function, or jurisdiction that the commission may lawfully delegate, including the authority to enter into and sign contracts on behalf of the commission. The director may redelegate any of those powers, duties, purposes, functions, or jurisdictions to his or her designee, unless by statute, or rule or regulation, the director is expressly required to act personally.
- SEC. 29. Section 66905 of the Education Code is amended to read:
- 66905. It is the intent of the Legislature that the commission annually review and fix the salary of its director according to a methodology established by the commission. This methodology shall take into consideration the salary of directors of coordinating boards for higher education in states with postsecondary education systems comparable to California's in size, complexity, and level of state expenditures. The comparison states shall include seven major industrial states, including Illinois, New Jersey, New York, Ohio, and Texas. The commission shall notify the Chairperson of the Joint Legislative Budget Committee of this annual salary amount. Notwithstanding Section 19825 of the Government Code, the salary shall become effective no sooner than 30 days after written notice of the salary is provided to the chairperson of the

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1 committee, or no sooner than a lesser time as the chairperson, or 2 his or her designee, may determine.

- SEC. 30. Section 66941 is added to the Education Code, to read:
- 66941. (a) The Legislature finds and declares that access to a high quality education is the primary goal for the use of educational technology in higher education. All students in California's public schools and colleges and all adults in the state shall have access to educational opportunities for which they are qualified, regardless of their income level, geographic location, or the size of the school they attend.
- (b) Pursuant to its statutory planning and coordination functions and responsibilities identified in Section 66903, the California Commission on Higher Education Performance and Accountability shall convene an intersegmental working group to determine state funding priorities consistent with the institutional missions of the systems of higher education.
- (c) The intersegmental working group shall observe all of the following principles to guide the development of priorities and the proposed expenditure of state revenues on technology infrastructure and applications:
- (1) Development of a statewide infrastructure that provides compatible connectivity between all levels of education to reduce redundancy and increase efficiency.
- (2) Adherence to nationally and internally accepted protocols and standards.
- (3) Assurance that the standards for course and program quality applied to distance education are rigorous in meeting accreditation standards, Universal Design standards, and standards currently applied to traditional classroom instruction at higher educational institutions in the areas of course content, student achievement levels, and coherence of the curriculum.
- (4) Collaboration between the private sector and educational institutions in the availability and use of technology in high-priority schools and underserved areas.
- (5) Collaboration across departments, institutions, states, and countries in the use of technology.
- (6) Use of technology to contain costs, improve student outcomes, and enhance quality in instructional and noninstructional

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functions, such as student services, libraries, and administrative support.

- (d) The intersegmental working group shall be composed of representatives from public elementary and secondary education, the California State University, the California Community Colleges, the University of California, independent accredited universities and colleges, state-approved schools and colleges, private sector providers of distance education, the Office of the Secretary of Education, and the private sector.
- (e) The commission shall facilitate the development of statewide funding priorities for technology in higher education.
- SEC. 31. Section 67002 of the Education Code is amended to read:
- 67002. The California Commission on Higher Education Performance and Accountability is designated as the state educational agency to carry out the purposes and provisions of the federal Education Amendments of 1972 (Public Law 92-318), the federal Education Amendments of 1976 (Public Law 94-482), and subsequent enactments amendatory or supplementary thereto, as follows:
- (a) The commission is designated as the state commission required to be established pursuant to Section 1202 of Title X of the federal Higher Education Act of 1965 (Public Law 89-329) as amended by the federal Education Amendments of 1972 (Public Law 92-318).
- (b) The commission is designated as the state administrative agency required to be established pursuant to Section 1055 of Title X of the federal Higher Education Act of 1965 (Public Law 89-329) as amended by the federal Education Amendments of 1972 (Public Law 92-318), unless that designation is determined by the federal government to be in conflict with federal law or regulations.
- (c) The commission is designated as the state administrative agency required to be established pursuant to Section 105 of Title II, Section 122 of Title III, Section 603 of Title VI, and Section 704 of Title VII of the federal Higher Education Act of 1965 (Public Law 89-329), as amended by the federal Education Amendments of 1972 (Public Law 92-318). The California Commission on Higher Education Performance and Accountability is hereby vested with authority to prepare and submit to the United States Commissioner of Education any state plan required by that

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1 act of Congress, to prepare and submit amendments to those state 2 plans, and to administer those state plans or amendments thereto, in accordance with that act of Congress and any rules and 3 4 regulations adopted under that act. Any such state plan or 5 amendment thereto prepared by the California Commission on 6 Higher Education Performance and Accountability shall be subject 7 to the approval of the Department of Finance to the extent required 8 by Section 13326 of the Government Code. The California Commission on Higher Education Performance and Accountability 10 is hereby vested with all necessary power and authority to 11 cooperate with the government of the United States, or any agency 12 or agencies thereof in the administration of the act of Congress 13 and the rules and regulations adopted under that act.

SEC. 32. Section 67003 of the Education Code is amended to read:

67003. The Trustees of the California State University on behalf of the California State University, the Regents of the University of California on behalf of the university, the Board of Governors of the California Community Colleges on behalf of the community colleges, and the Board of Governors of the California Maritime Academy on behalf of the California Maritime Academy, are vested with all power and authority to perform all acts necessary to receive the benefits and to expend the funds provided by the acts of Congress described in Section 67000 and with all necessary power and authority to cooperate with the government of the United States, or any agency or agencies thereof, and with the California Commission on Higher Education Performance and Accountability for the purpose of receiving the benefits and expending the funds provided by the act of Congress, in accordance with the act, or any rules or regulations adopted thereunder, or any state plan or rules or regulations of the California Commission on Higher Education Performance and Accountability adopted in accordance with the act of Congress. Whenever necessary to secure the full benefits of the act of Congress for loans or grants for academic facilities, the trustees, regents, or boards of governors may give any required security and may comply with any conditions imposed by the federal government.

SEC. 33. Section 67312 of the Education Code is amended to read:

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67312. (a) The Board of Governors of the California Community Colleges and the Trustees of the California State University shall, for their respective systems, and the Regents of the University of California may, do the following:

- (1) Work with the California Commission on Higher Education Performance and Accountability and the Department of Finance to develop formulas or procedures for allocating funds authorized under this chapter.
- (2) Adopt rules and regulations necessary to the operation of programs funded pursuant to this chapter.
- (3) Maintain the present intersegmental efforts to work with the California Commission on Higher Education Performance and Accountability and other interested parties, to coordinate the planning and development of programs for students with disabilities, including, but not necessarily limited to, the establishment of common definitions for students with disabilities and uniform formats for reports required under this chapter.
- (4) Develop and implement, in consultation with students and staff, a system for evaluating state-funded programs and services for disabled students on each campus at least every five years. At a minimum, these systems shall provide for the gathering of outcome data, staff and student perceptions of program effectiveness, and data on the implementation of the program and physical accessibility requirements of the federal Rehabilitation Act of 1973 (Public Law 93-112) contained in Section 794 of Title 29 of the United States Code.
- (b) Commencing in January 1990, and every two years thereafter, the Board of Governors of the California Community Colleges shall submit a report to the Governor, the education policy committees of the Legislature, and the California Commission on Higher Education Performance and Accountability describing its efforts to serve students with disabilities. These biennial reports shall also include a review on a campus-by-campus basis of the enrollment, retention, transition, and graduation rates of disabled students, including categorical funding of those programs.
- SEC. 34. Section 67382 of the Education Code is amended to read:
- 67382. (a) (1) On or before January 1, 2004, and every three years thereafter, the State Auditor shall report the results of an audit of a sample of not less than six institutions of postsecondary

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education in California that receive federal student aid, to evaluate the accuracy of their statistics and the procedures used by the institutions to identify, gather, and track data for publishing, disseminating, and reporting accurate crime statistics in compliance with the requirements of the federal Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (20 U.S.C. Sec. 1092 (f)(1) and (5)).

- (2) The results of the audits described in paragraph (1) shall be submitted to the respective chairs of the Assembly Committee on Higher Education and the Senate Committee on Education.
- (b) The California Commission on Higher Education Performance and Accountability shall provide on its Internet Web site a link to the Internet Web site of each California institution of higher education that includes on that Internet Web site the institution's criminal statistics information.
- (c) The Legislature finds and declares that institutions of higher education that are subject to the federal Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (20 U.S.C. Sec. 1092(f)(1) and (5)), should establish and publicize a policy that allows victims or witnesses to report crimes to the eampus police department or to a specified campus security authority, on a voluntary, confidential, or anonymous basis.
- SEC. 35. Section 68052 of the Education Code is amended to read:
- 68052. (a) It is the intent of the Legislature that California's public institutions of higher education shall establish nonresident student tuition policies that are consistent with their resident student fee policies. Nonresident student tuition shall be determined by each of the public postsecondary segments through the adoption of a methodology that annually establishes the nonresident student tuition rate. It is further the intent of the Legislature that, while the public institutions are to be provided flexibility in establishing their nonresident tuition, under no circumstances shall the level of nonresident tuition plus required fees fall below the marginal cost of instruction for that segment.
- (b) The following state policies regarding nonresident student tuition are hereby established:
- (1) Unless otherwise prescribed by statute, an admission fee and rate of tuition fixed by each public postsecondary governing board shall be required of each nonresident student. Each public

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postsecondary education governing body shall develop its own methodology for establishing the nonresident tuition level and its annual adjustment level of nonresident student tuition, unless otherwise prescribed by statute.

- (2) As California's public postsecondary education segments annually adjust the level of nonresident tuition they charge out-of-state students, the nonresident tuition methodologies they develop and use should take into consideration, at minimum, the following two factors:
- (A) For the University of California and the California State University, the total nonresident charges imposed by each of their public comparison institutions, as identified by the California Commission on Higher Education Performance and Accountability.
 - (B) The full average cost of instruction of their segment.
- (3) It is the intent of the Legislature that under no circumstances shall an institution's level of nonresident tuition plus required student fees fall below the marginal cost of instruction for that segment.
- (4) The University of California, the California State University, the Hastings College of the Law, and the California Maritime Academy should endeavor to ensure that increases in the level of nonresident tuition are gradual, moderate, and predictable by providing nonresident students with a minimum of a 10-month notice of tuition increases.
- (c) This section does not apply to the California Community Colleges.
- (d) In the event that state revenues and expenditures are substantially imbalanced due to factors unforeseen by the Governor and the Legislature, including, but not limited to, initiative measures, natural disasters, or sudden deviations from expected economic trends, the nonresident student tuition at the University of California, the California State University, the Hastings College of the Law, and the California Maritime Academy, shall not be subject to this section.
- SEC. 36. Section 69562 of the Education Code is amended to read:
- 69562. The Student Aid Commission shall establish a 12-member project grant advisory committee to advise project directors and the commission on the development and operation of the projects, and consisting of the following:

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(a) Three representatives of outreach programs, representing the University of California, the California State University, and the California Community Colleges, appointed by their respective governing boards.

- (b) One representative of private colleges and universities, appointed by the Association of California Independent Colleges and Universities.
- (c) One representative of the California Commission on Higher Education Performance and Accountability, appointed by the Student Aid Commission.
 - (d) Two secondary school staff, appointed by the Superintendent.
- (e) Two persons representing the general public, one appointed by the Speaker of the Assembly and the other by the Senate Committee on Rules.
- (f) Two postsecondary students, both appointed annually by the California Commission on Higher Education Performance and Accountability.
- (g) One college campus financial aid officer, appointed by the Student Aid Commission.
- SEC. 37. Section 69655 of the Education Code is amended to read:
- 69655. (a) Pursuant to Section 69648, the Chancellor of the California Community Colleges shall determine the elements of a statewide database for the Community College Extended Opportunity Programs and Services, which shall be used for periodic evaluation of the programs and services. The database shall include all information necessary to demonstrate the statewide progress towards achieving the program goals identified in Section 69640, and program objectives adopted pursuant to Section 69648 including, but not limited to, all of the following:
- (1) The annual number of extended opportunity programs and services (EOPS) students and non-EOPS students who complete degree or certificate programs, transfer programs, or other programs, as determined by state and local matriculation policies.
- (2) The annual number of EOPS and non-EOPS students who transfer to institutions that award the bacealaureate degree. In implementing this paragraph, the chancellor shall work in cooperation with the California Commission on Higher Education Performance and Accountability, the President of the University of California, the Chancellor of the California State University,

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and the Association of Independent Colleges and Universities to establish methods for obtaining the necessary data.

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- (3) (A) The annual number of EOPS and non-EOPS students completing occupational programs who find career employment.
- (B) In implementing this paragraph, the chancellor shall integrate the data collection with existing data collection requirements pertaining to vocational education.
- (b) Beginning in January 1987, the chancellor shall annually report to the Legislature regarding the number of students served by the Community College Extended Opportunity Programs and Services and the number of EOPS students who achieve their educational objectives.
- SEC. 38. Section 69966 of the Education Code is amended to read:
- 69966. The Student Aid Commission shall administer the California State Work-Study Program in consultation with an advisory committee. The membership of the advisory committee. which may be an existing advisory committee established by the commission, shall be representative of, but need not be limited to, financial aid and student employment administrators from each segment of postsecondary education, students, public schools, employers, the California Commission on Higher Education Performance and Accountability, and experiential education personnel.
- SEC. 39. Section 74292 of the Education Code is amended to
- 74292. Notwithstanding any other law, the following steps shall be taken to address the imminent risk that Compton Community College's accreditation will be terminated by the regional accrediting body recognized by the Board of Governors of the California Community Colleges:
- (a) The Chancellor of the California Community Colleges is authorized to oversee all actions at the Compton Community College District related to the loss of the college's accreditation and efforts described in this article to address that situation. The Compton Community College District shall reimburse the Board of Governors of the California Community Colleges for any expenses incurred by the chancellor or his or her staff in carrying out this oversight responsibility.

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(b) The Compton Community College District shall complete the provision of instruction for all classes for which it intends to claim apportionment prior to the date of its loss of accreditation.

- (c) Notwithstanding any other law, the Compton Community College District shall continue to be eligible to receive state funding as provided in this article even if its accreditation is terminated.
- (d) (1) The Compton Community College District shall identify a partner district that will agree to provide accredited instructional programs to students residing in the Compton Community College District. The special trustee assigned to the Compton Community College District pursuant to Section 71093 and the partner district are authorized to enter into one or more agreements to provide instructional services or other services, and to make any other necessary preparations to implement the educational programs described in this article, as well as any related necessary administrative or support services, in a timely manner so as to ensure that services to Compton Community College students will not be interrupted and that those students will remain eligible for federal financial assistance. The agreement or agreements shall provide that the partner district is entitled to receive a reasonable administrative fee to be fixed by the mutual agreement of the parties.
- (2) The partner district shall be a district in good standing with the Accrediting Commission for Community and Junior Colleges (ACCJC), and shall have successfully completed the accreditation eyele and secured accreditation for its colleges. A district with a college that is on warning, probation, or show-cause status with the ACCJC, or that is being monitored for fiscal stability by the chancellor's office is not considered a district in good standing for purposes of this article.
- (e) The partner district may offer any programs or courses for which it has secured applicable approvals. In addition, any programs and courses that were previously approved by the board of governors to be offered by the Compton Community College District may continue to be offered by the partner district in the territory of the Compton Community College District without additional state approval until June 30, 2011.
- (f) No later than 30 days after Compton Community College's loss of accreditation, the board of governors shall approve the facilities of Compton Community College as an off-campus

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educational center of the partner district. The center shall be known as the Compton Community Educational Center. The board of governors shall give notice of its approval to the county committee and county superintendent having jurisdiction over any territory affected by the action.

- (g) The board of governors may permanently or temporarily waive any of its regulatory requirements necessary to effectuate this article, including, but not necessarily limited to, its regulations regarding educational centers.
- (h) The partner district is eligible to provide instruction at the center without the recommendation of the California Commission on Higher Education Performance and Accountability under Section 66904 until the district secures the commission's recommendation for the facility to operate as an off-campus educational center or until June 30, 2011, whichever occurs first.
- (i) The partner district shall comply with all federal requirements to ensure that students taking classes offered by the partner district at the Compton Community Educational Center remain eligible for federal financial assistance.
- (j) Students enrolled in the Compton Community College District as of January 31, 2006, shall be subject to the following conditions:
- (1) The partner district shall ensure that any student who, by the end of the Spring 2006 term, has completed at least 75 percent of the courses required for the degree or certificate he or she is pursuing will be able to complete that program. Every reasonable effort shall be made to allow other students who have begun work toward a certificate or degree, but who have not completed 75 percent of the required coursework, to continue and complete their programs.
- (2) Students enrolling in classes provided by the partner district pursuant to this section shall be considered students of the partner district, shall receive credit from the partner district for classes they successfully complete, shall receive certificates or degrees they earn from the partner district, and shall receive financial aid through the partner district if they meet all applicable eligibility requirements.
- (3) The partner district shall maintain student records related to the attendance of students in classes it offers pursuant to this section in accordance with all applicable state and federal laws.

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(4) The partner district shall consider each student who enrolls for classes no later than the Spring 2007 term to be a continuing student for purposes of enrollment priorities.

- (5) Any regulations of the board of governors relating to minimum residence at the college granting a degree shall not be applicable.
- (k) The board of governors shall adopt any regulations necessary to implement this article. These regulations may be adopted as emergency regulations that may remain in effect for up to one year from the date of adoption, and shall not be subject to paragraph (5) or (6) of subdivision (a) of Section 70901.5 or to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.
- (*l*) (1) The partner district shall provide the services described in this article for a minimum of five years from the date those services commence pursuant to subdivision (d), and shall thereafter provide the services for any additional period determined necessary by the board of governors. In addition, the board of governors may require, in its sole discretion, that the services described herein be modified or terminated at an earlier date based on the best interests of the California Community Colleges system and its students.
- (2) Notwithstanding paragraph (1), either the partner district or the special trustee appointed pursuant to Section 71093 may initiate termination of the agreements described in subdivision (d) by giving 180 days' written notice to the other party and to the board of governors. No termination pursuant to this subdivision may take effect until the end of the semester following the notice provided under this paragraph, so as to protect students from a mid-term interruption of educational services. Should the partner district provide notice of a desire to terminate any agreements at a time when the trustee determines that services provided under those agreements are still necessary to serve the interests of Compton students and residents or at a time when the Compton Community College District is not fully accredited and bonds issued pursuant to Section 41329.52 are outstanding, the partner district shall continue the services until it can secure a district to provide uninterrupted comparable services to the satisfaction of the special trustee.
- (m) (1) The Compton Community College District shall continue to be responsible for ensuring that all of its permanent

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records are retained and stored as required by state law and that all records related to its administration of programs under Title IV of the federal Higher Education Act are retained for a minimum of three years after the conclusion of its participation in those programs.

- (2) The Compton Community College District shall be responsible for institutional actions related to the loss of accreditation, including actions that are required under Section 688.26 of Title 34 of the Code of Federal Regulations, related to the ending of the participation of the Compton Community College District in programs under Title IV of the federal Higher Education Act of 1965, refunding any students' uncarned tuition and fees, refunding to the federal government any unexpended federal student financial aid funds, returning to lenders any loan proceeds not distributed to students, or the collection of outstanding student debts to the Compton Community College District.
- (n) In addition to addressing the ongoing educational needs of the students of the Compton Community College District, the partner district and the special trustee appointed pursuant to Section 71093 shall take steps aimed at achieving the goal of seeking renewed accreditation for Compton Community College at the earliest feasible date. Progress toward achieving this goal shall be periodically reported to the board of governors.
- (o) A person, firm, or organization shall not, without the permission of the Compton Community College District, use the name "Compton Community College," or any name of which these words are a part, or any abbreviation thereof.
- SEC. 40. Section 81004 of the Education Code is amended to read:
- 81004. (a) A community college may develop a public-private partnership for the purpose of constructing education buildings or education centers. The facilities may be constructed on a site donated through the public-private partnership agreement between the community college and the private sector. The construction of any education building or education center is subject to approval by the Board of Governors of the California Community Colleges if the education building or education center is eligible for state funding for construction, equipment, or ongoing maintenance. Community colleges shall not be eligible to receive state funds for off-campus centers unless recommended by the California

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Commission on Higher Education Performance and Accountability pursuant to Section 66904.

- (b) (1) If a community college requests state funding for an education building or education center constructed through a public-private partnership, funding for that facility shall not supersede community college facilities that have been previously prioritized by the board of governors and are awaiting state funding. These facilities shall be subject to the board of governors' annual prioritization process and shall not receive higher priority for state funding solely because the facilities are constructed through a public-private partnership.
- (2) Any state funding to reimburse a community college for construction of a facility pursuant to this subdivision shall not exceed that community college's share of costs.
- (c) A community college may request state funding for instructional equipment for an education building or education center that is constructed through a public-private partnership or that is acquired without state funding. However, funding for that equipment shall be provided in the same manner as for other community college facilities, provided that the construction or acquisition of the facility otherwise would have qualified as a priority project for state funding.
- (d) On or before January 1, 1999, the board of governors shall adopt regulations to implement this section. However, prior to adopting these regulations, the Chancellor of the California Community Colleges shall consult with the Department of Finance and the Legislative Analyst.
- SEC. 41. Section 81005 of the Education Code is amended to read:
- 81005. (a) State funds provided for the capital outlay financing needs of the California Community Colleges may be used to acquire an existing government-owned or privately-owned building and for the necessary costs of converting that building to community college use. A community college district that is eligible for state funding for capital outlay financing may purchase an existing government-owned or privately-owned building and convert it to community college use with state funds if all of the following criteria apply:
- (1) The building to be purchased was constructed as, and continues to qualify as, a school building pursuant to Article 7

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(commencing with Section 81130), or the building is determined to have, or is rehabilitated to an extent that it is determined to have, a pupil safety performance standard that is equivalent to that of a building constructed pursuant to Article 7 (commencing with Section 81130). In making the determination of the pupil safety performance standard as required in this paragraph, all of the requirements of paragraphs (1) and (2) of subdivision (a) of Section 81149 shall be met.

(2) The total cost of purchasing and converting the existing building to community college use is not greater than the estimated cost of constructing an equivalent building.

- (3) The land associated with a building to be purchased will be owned by, or controlled through a long-term lease by, the community college district. As used in this section, "long-term lease" means a lease with a term of at least 50 years.
- (4) The district has complied with facility site review procedures and guideline recommendations of the California Commission on Higher Education Performance and Accountability pursuant to Section 66904.
- (b) Funding for a building to be purchased under this section shall not supersede funding for community college facilities that have previously been prioritized by the board of governors and are awaiting state funding. Buildings purchased under this section shall be subject to the annual prioritization process of the board of governors, and shall not receive higher priority for state funding because they are existing buildings rather than buildings proposed to be constructed.
- (c) A community college district that purchases an existing building under this section may request state funding for instructional equipment. Funding for that instructional equipment shall be provided in accordance with Chapter 4.8 (commencing with Section 84670) of Part 50, provided that the chancellor determines that the purchase of this equipment qualifies as a priority for state funding.
- SEC. 42. Section 87482.4 of the Education Code is repealed.
 SEC. 43. Section 89002 of the Education Code is amended to read:
 - 89002. The campuses authorized in paragraphs (19), (21), and (22) of subdivision (a) of Section 89001 shall commence construction only upon resolution of the trustees, approved by the

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California Commission on Higher Education Performance and
 Accountability.

- SEC. 44. Section 89011 of the Education Code is amended to read:
- 89011. (a) It is the intent of the Legislature that public programs of postsecondary education be made available to qualified persons throughout this state, including areas of substantial existing or projected population that are isolated from any campus of the California State University.
- (b) The Trustees of the California State University shall consider the establishment of a permanent, state-supported off-campus center on state-owned property in Contra Costa County, the purpose of which shall be to continue to offer education programs at the upper division and graduate levels.
- (c) Pursuant to the establishment of a permanent, state-supported off-campus center as provided by subdivision (b), the trustees shall contract for the preparation of a master plan for physical development, and a detailed survey of Contra Costa County, as follows:
- (1) The master plan for the physical development of the center shall project major land uses, including open space, and the development of physical facilities, including those relating to lecture and laboratory use, and other instructional activities, site work, plant operations, and adjunct operations. The master plan shall be subject to the approval of the Trustees of the California State University.
- (2) The detailed survey of Contra Costa County shall include, but not be limited to, official population projections, an industry and income profile, an analysis of specific education program requirements of potentially qualified students, an assessment of the need for educational services at the upper division and graduate levels, and an assessment of the services currently provided by other public and private institutions of postsecondary education, including the University of California and the California Community Colleges.
- (d) The trustees shall review the results of the master plan and survey and shall forward the results to the California Commission on Higher Education Performance and Accountability for its review pursuant to Section 66904.

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SEC. 45. Section 89070.35 of the Education Code is amended to read:

- 89070.35. (a) The intersegmental advisory committee shall consist of the following members:
- (1) Two members, one of whom shall be a mathematics faculty member, appointed by each of the following:
 - (A) The Chancellor of the California State University.
- (B) The President of the University of California, if he or she chooses to serve as a member.
- (C) The Chancellor of the California Community Colleges.
- 11 (D) The Superintendent.

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- 12 (2) One member appointed by each of the following:
- (A) The Chair of the Association of Independent California
 Colleges and Universities.
 - (B) The Director of the California Commission on Higher Education Performance and Accountability.
- (C) The Chair of the California Academic Partnership Program
 Advisory Committee.
 - (D) The Director of the California Mathematics Project.
 - (b) The intersegmental advisory committee may recommend that the trustees increase its size by the appointment of public, corporate, or other members.
 - SEC. 46. Section 89070.40 of the Education Code is amended to read:
 - 89070.40. The Trustees of the California State University shall work with the University of California, the California Commission on Higher Education Performance and Accountability, and the advisory committee to develop a comprehensive program evaluation. This evaluation shall be conducted in 1993, and every three years thereafter to determine the success of the program.
- 31 SEC. 47. Section 89720 of the Education Code, as amended 32 by Section 4 of Chapter 511 of the Statutes of 2014, is amended 33 to read:
- 89720. (a) The trustees may accept on behalf of the state any gift, bequest, devise, or donation of real or personal property whenever the gift and the terms and conditions thereof will aid in carrying out the primary functions of the California State
- 38 University as specified in subdivision (b) of Section 66010.4.
- 39 Neither Section 11005 of the Government Code, nor any other law
- 40 requiring approval by a state officer of gifts, bequests, devises, or

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1 donations, shall apply to these gifts, bequests, devises, or donations.

- 2 These gifts, bequests, devises, or donations, and the disposition
- 3 thereof, shall be annually reported to the California Commission
- 4 on Higher Education Performance and Accountability, the Joint
- 5 Legislative Budget Committee, and the Department of Finance by 6
 - January 31 of each year.

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- (b) Notwithstanding Sections 11005.2 and 14664 of the Government Code or any other law to the contrary, the trustees may sell or exchange interests in real property received pursuant to this section when, in the judgment of the trustees, the sale or exchange is in the best interests of the California State University. No sale or exchange of an interest in real property made pursuant to this section shall exceed ten million dollars (\$10,000,000) per transaction.
- (e) Notwithstanding Sections 11005 and 15853 of the Government Code or any other law to the contrary, the trustees may purchase interests in real property from moneys received pursuant to this section, including those moneys received from the sale or exchange of interests in real property pursuant to this section. Any such purchase shall be consistent with any restrictions placed upon the gift, bequest, devise, or donation and shall be in the best interests of the California State University, as determined by the trustees.
- (d) No interest in any real property that is part of a main campus of any of the institutions of the California State University listed in Section 89001 shall be sold or exchanged pursuant to this section.
- (e) Any sale or exchange of interests in real property carried out pursuant to this section shall be reported annually to the California Commission on Higher Education Performance and Accountability or a successor agency, the Joint Legislative Budget Committee, and the Department of Finance by January 31 of each year.
- SEC. 48. Section 92605 of the Education Code is amended to read:
- 92605. (a) The regents are hereby requested to consider, as a component of the University of California's current systemwide medical education program assessment, the expansion of the Charles R. Drew/UCLA Undergraduate Medical Education Program.

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(b) The regents are further requested to submit, not later than June 30, 2003, a report summarizing their findings regarding the Charles R. Drew/UCLA Undergraduate Medical Education Program to the Governor, the Legislature, and the California Commission on Higher Education Performance and Accountability. SEC. 49. Section 94155 of the Education Code is amended to read:

94155. On or before March 31 in each year, the authority shall make an annual report of its activities for the preceding calendar year to the Governor and the Legislature. Each report shall set forth a complete operating and financial statement covering the authority's operations during the year. The authority shall cause an audit of its books and accounts to be made at least once in each year by certified public accountants. The authority shall also consult with the California Commission on Higher Education Performance and Accountability and the Student Aid Commission with respect to the need for additional financing of student loan projects.

SEC. 50. Section 99151 of the Education Code is amended to read:

- 99151. (a) "Admissions data assembly service" means any summary or report of grades, grade point averages, standardized test scores, or any combination of grades and test scores, of a test subject used by any test score recipient.
- (b) "Commission" means the California Commission on Higher Education Performance and Accountability.
- (c) "Score reporting service" means the reporting of a test subject's standardized score to a test score recipient by a test agency.
- (d) "Secure test" means any test that contains items not available to the public and that, to allow the further use of test items and to protect the validity and reliability of the test, is subject to special security procedures in its publication, distribution, and administration.
- (e) (1) "Standardized test" or "test" means any test administered in California at the expense of the test subject that is used for the purposes of admission to, or class placement in, postsecondary educational institutions or their programs, or any test used for preliminary preparation for those tests.

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 (2) "Standardized test" or "test" includes, but is not limited to, the Preliminary Scholastic Aptitude Test, the Scholastic Aptitude Test, the College Board Achievement Tests and Advanced Placement Tests, the ACT Assessment, the Graduate Record Examination, the Medical College Admission Test, the Law School Admission Test, the Dental Admission Testing Program, the Graduate Management Admission Test, and the Miller Analogies Test.

- (3) A standardized test does not include a test, or part of a test, that has been in use for less than five years, or that is administered to a selected group of individuals principally for research, pretest, equating, guidance, counseling, or for purposes of meeting graduation requirements of secondary schools and postsecondary educational institutions.
- (4) Tests that are administered as supplements or auxiliaries to another test, or that form a specialized component of a test, may be combined for purposes of this chapter.
- (f) "Testing year" means the 12 calendar months that the test agency considers either its operational cycle or its fiscal year.
- (g) "Test preparation course" means any curriculum, course of study, plan of instruction, or method of preparation given for a fee that is specifically designed or constructed to prepare or improve a test subject's score on a standardized test.
- (h) "Test program" means all of the administrations of a test of the same name during a testing year.
- (i) "Test score" or "score" means the value given to the test subject's performance on a standardized test, administered by the test agency, whether reported in numerical, percentile, or any other form.
- (j) "Test score recipient" means any person, organization, association, corporation, postsecondary education institution, or governmental agency or subdivision to which the test subject requests or designates that a test agency report a test score.
- (k) "Test sponsor" or "test agency" means an individual, partnership, corporation, association, company, firm, institution, society, trust, or joint stock company that develops, sponsors, or administers standardized tests.
- (l) "Test subject" or "subject" means an individual who takes a standardized test.

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SEC. 51. Section 99181 of the Education Code is amended to read:

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3 99181. The University of California, the California State 4 University, and the California Community Colleges shall each 5 prepare a list of reports required to be submitted on a regular basis 6 to the Legislature and to state agencies. The purpose of each report shall be identified, as well as the costs associated with production of the report. This information shall be submitted to the education policy and fiscal committees of the Legislature, the Department 10 of Finance, and the California Commission on Higher Education Performance and Accountability. The California Commission on 12 Higher Education Performance and Accountability shall review and comment on the utility of the required reports identified by the educational institutions, and offer recommendations for 14 consolidating or eliminating existing reporting requirements in 16 order to reduce operating expenses and streamline reporting provisions.

SEC. 52. Section 99182 of the Education Code is amended to read:

99182. (a) On or before November 15 of each year, the California Commission on Higher Education Performance and Accountability shall submit a higher education report to the Legislature and the Governor that provides information to the eitizens of the state on the significant indicators of performance of the public colleges and universities. This annual report shall be presented in a readable format. Prior to publication, the commission shall distribute a draft of the report to all public colleges and universities for comment.

- (b) The commission, in cooperation with the public colleges and universities, shall develop and adopt a format for the higher education report specified in subdivision (a) and the information to be included. The following types of information shall be considered for inclusion in the report with respect to public universities:
 - (1) The retention rate of students.
- (2) The proportion of lower division instructional courses taught by tenured and tenure-track faculty.
- (3) The minimum number of hours per semester required to be spent by faculty in student advisement.

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1 (4) The proportion of graduate and undergraduate students 2 participating in sponsored research programs.

- (5) Placement data on graduates.
- (6) The proportional changes in the participation and graduation rates of students from groups historically underrepresented in higher education.
- (7) The proportion of graduate students who received undergraduate degrees (A) at the institution, (B) within the state, (C) within the United States, and (D) from other nations.
- (8) The number of full-time students who have transferred from a California community college.
- (9) Demonstrable evidence of improvements in student knowledge, capacities, and skills between entrance and graduation, where this evidence exists.
- (10) Results of surveys of students regarding student attitudes and experiences, where these surveys exist.
- (c) The following types of information shall be considered for inclusion in the report with respect to public community colleges:
 - (1) The retention rate of students.
- (2) The proportion of remedial or developmental education courses taught by full-time faculty.
- (3) The number of hours per student per semester spent by faculty in student advisement.
 - (4) Placement data on graduates.
- (5) The proportional change in the participation and graduation rate of students from groups historically underrepresented in higher education.
- (6) The number of students who have transferred into a four-year, postsecondary educational institution, by ethnicity and gender.
- (7) Demonstrable evidence of improvements in student knowledge, capacities, and skills between entrance and graduation, where this evidence exists.
- (8) Results of surveys of students regarding student attitudes and experiences, where these surveys exist.
- 36 SEC. 53. Section 99202 of the Education Code is amended to read:
- 38 99202. (a) Within each subject matter project, a project advisory board shall be established to do all of the following:
 - (1) Set guidelines for project sites.

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(2) Review and recommend site proposals for funding.

- (3) Monitor project activities to ensure that they adequately reflect the priorities of the project and that projects comply with the requirements of this chapter.
- (4) Perform other duties as determined by the Concurrence Committee rules and regulations adopted pursuant to subdivision (b) of Section 99200.
 - (b) The composition of each advisory board shall be as follows:
- (1) One representative selected by the California Commission on Higher Education Performance and Accountability.
- (2) Two representatives selected by the President of the University of California, one of whom is a member of the faculty in the discipline addressed by the project.
- (3) Two representatives selected by the Chancellor of the California State University, one of whom is a member of the faculty in the discipline addressed by the project.
- (4) Three representatives selected by the Superintendent, one of whom is a classroom teacher in the subject areas addressed by the project.
- (5) Two representatives of the state board, one of whom is a elassroom teacher in the subject areas addressed by the subject.
 - (6) One representative selected by the Governor.
- (7) One representative selected by the Commission on Teacher Credentialing.
- (8) One representative of the statewide professional organization of teachers in the subject matter addressed by the project, to be selected by the president of that organization. If there is more than one statewide professional organization of teachers in that subject area, the members of the advisory board may choose which organization shall select the representative and may choose to include a representative of one or more of the other organizations as nonvoting members of the advisory board.
- (9) Two representatives of the California Community Colleges selected by the Chancellor of the California Community Colleges, one of whom is a faculty member in the subject matter area addressed by the project.
- (10) Two representatives of an independent postsecondary educational institution selected by the Association of Independent California Colleges and Universities, one of whom is a member of the faculty in the discipline addressed by the project.

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SEC. 54. Section 11126 of the Government Code is amended to read:

- 11126. (a) (1) This article does not prevent a state body from holding closed sessions during a regular or special meeting to consider the appointment, employment, evaluation of performance, or dismissal of a public employee or to hear complaints or charges brought against that employee by another person or employee unless the employee requests a public hearing.
- (2) As a condition to holding a closed session on the complaints or charges to consider disciplinary action or to consider dismissal, the employee shall be given written notice of his or her right to have a public hearing, rather than a closed session, and that notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding a regular or special meeting. If notice is not given, any disciplinary or other action taken against any employee at the closed session shall be null and void.
- (3) The state body also may exclude from any public or closed session, during the examination of a witness, any or all other witnesses in the matter being investigated by the state body.
- (4) Following the public hearing or closed session, the body may deliberate on the decision to be reached in a closed session.
- (b) For purposes of this section, "employee" does not include any person who is elected to, or appointed to a public office by, any state body. However, officers of the California State University who receive compensation for their services, other than per diem and ordinary and necessary expenses, shall, when engaged in that capacity, be considered employees. Furthermore, for purposes of this section, the term employee includes a person exempt from civil service pursuant to subdivision (e) of Section 4 of Article VII of the California Constitution.
- (c) Nothing in this article shall be construed to do any of the following:
- (1) Prevent state bodies that administer the licensing of persons engaging in businesses or professions from holding closed sessions to prepare, approve, grade, or administer examinations.
- (2) Prevent an advisory body of a state body that administers the licensing of persons engaged in businesses or professions from conducting a closed session to discuss matters that the advisory body has found would constitute an unwarranted invasion of the privacy of an individual licensee or applicant if discussed in an

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open meeting, provided the advisory body does not include a quorum of the members of the state body it advises. Those matters may include review of an applicant's qualifications for licensure and an inquiry specifically related to the state body's enforcement program concerning an individual licensee or applicant where the inquiry occurs prior to the filing of a civil, criminal, or administrative disciplinary action against the licensee or applicant by the state body.

- (3) Prohibit a state body from holding a closed session to deliberate on a decision to be reached in a proceeding required to be conducted pursuant to Chapter 5 (commencing with Section 11500) or similar provisions of law.
- (4) Grant a right to enter any correctional institution or the grounds of a correctional institution where that right is not otherwise granted by law, nor shall anything in this article be construed to prevent a state body from holding a closed session when considering and acting upon the determination of a term, parole, or release of any individual or other disposition of an individual case, or if public disclosure of the subjects under discussion or consideration is expressly prohibited by statute.
- (5) Prevent any closed session to consider the conferring of honorary degrees, or gifts, donations, and bequests that the donor or proposed donor has requested in writing to be kept confidential.
- (6) Prevent the Alcoholic Beverage Control Appeals Board from holding a closed session for the purpose of holding a deliberative conference as provided in Section 11125.
- (7) (A) Prevent a state body from holding closed sessions with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the state body to give instructions to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.
- (B) However, prior to the closed session, the state body shall hold an open and public session in which it identifies the real property or real properties that the negotiations may concern and the person or persons with whom its negotiator may negotiate.
- (C) For purposes of this paragraph, the negotiator may be a member of the state body.
- (D) For purposes of this paragraph, "lease" includes renewal or renegotiation of a lease.

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(E) Nothing in this paragraph shall preclude a state body from holding a closed session for discussions regarding eminent domain proceedings pursuant to subdivision (e).

- (8) Prevent the California Commission on Higher Education Performance and Accountability from holding closed sessions to consider matters pertaining to the appointment or termination of the Director of the California Commission on Higher Education Performance and Accountability.
- (9) Prevent the Council for Private Postsecondary and Vocational Education from holding closed sessions to consider matters pertaining to the appointment or termination of the Executive Director of the Council for Private Postsecondary and Vocational Education.
- (10) Prevent the Franchise Tax Board from holding closed sessions for the purpose of discussion of confidential tax returns or information the public disclosure of which is prohibited by law, or from considering matters pertaining to the appointment or removal of the Executive Officer of the Franchise Tax Board.
- (11) Require the Franchise Tax Board to notice or disclose any confidential tax information considered in closed sessions, or documents executed in connection therewith, the public disclosure of which is prohibited pursuant to Article 2 (commencing with Section 19542) of Chapter 7 of Part 10.2 of Division 2 of the Revenue and Taxation Code.
- (12) Prevent the Corrections Standards Authority from holding closed sessions when considering reports of crime conditions under Section 6027 of the Penal Code.
- (13) Prevent the State Air Resources Board from holding closed sessions when considering the proprietary specifications and performance data of manufacturers.
- (14) Prevent the State Board of Education or the Superintendent of Public Instruction, or any committee advising the board or the Superintendent, from holding closed sessions on those portions of its review of assessment instruments pursuant to Chapter 5 (commencing with Section 60600) of, or pursuant to Chapter 9 (commencing with Section 60850) of, Part 33 of Division 4 of Title 2 of the Education Code during which actual test content is reviewed and discussed. The purpose of this provision is to maintain the confidentiality of the assessments under review.

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(15) Prevent the California Integrated Waste Management Board or its auxiliary committees from holding closed sessions for the purpose of discussing confidential tax returns, discussing trade secrets or confidential or proprietary information in its possession, or discussing other data, the public disclosure of which is prohibited by law.

- (16) Prevent a state body that invests retirement, pension, or endowment funds from holding closed sessions when considering investment decisions. For purposes of consideration of shareholder voting on corporate stocks held by the state body, closed sessions for the purposes of voting may be held only with respect to election of corporate directors, election of independent auditors, and other financial issues that could have a material effect on the net income of the corporation. For the purpose of real property investment decisions that may be considered in a closed session pursuant to this paragraph, a state body shall also be exempt from the provisions of paragraph (7) relating to the identification of real properties prior to the closed session.
- (17) Prevent a state body, or boards, commissions, administrative officers, or other representatives that may properly be designated by law or by a state body, from holding closed sessions with its representatives in discharging its responsibilities under Chapter 10 (commencing with Section 3500), Chapter 10.3 (commencing with Section 3512), Chapter 10.5 (commencing with Section 3525), or Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 as the sessions relate to salaries, salary schedules, or compensation paid in the form of fringe benefits. For the purposes enumerated in the preceding sentence, a state body may also meet with a state conciliator who has intervened in the proceedings.
- (18) (A) Prevent a state body from holding closed sessions to consider matters posing a threat or potential threat of criminal or terrorist activity against the personnel, property, buildings, facilities, or equipment, including electronic data, owned, leased, or controlled by the state body, where disclosure of these considerations could compromise or impede the safety or security of the personnel, property, buildings, facilities, or equipment, including electronic data, owned, leased, or controlled by the state body.

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(B) Notwithstanding any other law, a state body, at any regular or special meeting, may meet in a closed session pursuant to subparagraph (A) upon a two-thirds vote of the members present at the meeting.

- (C) After meeting in closed session pursuant to subparagraph (A), the state body shall reconvene in open session prior to adjournment and report that a closed session was held pursuant to subparagraph (A), the general nature of the matters considered, and whether any action was taken in closed session.
- (D) After meeting in closed session pursuant to subparagraph (A), the state body shall submit to the Legislative Analyst written notification stating that it held this closed session, the general reason or reasons for the closed session, the general nature of the matters considered, and whether any action was taken in closed session. The Legislative Analyst shall retain for no less than four years any written notification received from a state body pursuant to this subparagraph.
- (d) (1) Notwithstanding any other law, any meeting of the Public Utilities Commission at which the rates of entities under the commission's jurisdiction are changed shall be open and public.
- (2) Nothing in this article shall be construed to prevent the Public Utilities Commission from holding closed sessions to deliberate on the institution of proceedings, or disciplinary actions against any person or entity under the jurisdiction of the commission.
- (e) (1) Nothing in this article shall be construed to prevent a state body, based on the advice of its legal counsel, from holding a closed session to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of the state body in the litigation.
- (2) For purposes of this article, all expressions of the lawyer-client privilege other than those provided in this subdivision are hereby abrogated. This subdivision is the exclusive expression of the lawyer-client privilege for purposes of conducting closed session meetings pursuant to this article. For purposes of this subdivision, litigation shall be considered pending when any of the following circumstances exist:
- (A) An adjudicatory proceeding before a court, an administrative body exercising its adjudicatory authority, a hearing officer, or an

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arbitrator, to which the state body is a party, has been initiated formally.

- (B) (i) A point has been reached where, in the opinion of the state body on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the state body.
- (ii) Based on existing facts and circumstances, the state body is meeting only to decide whether a closed session is authorized pursuant to clause (i).
- (C) (i) Based on existing facts and circumstances, the state body has decided to initiate or is deciding whether to initiate litigation.
- (ii) The legal counsel of the state body shall prepare and submit to the state body a memorandum stating the specific reasons and legal authority for the closed session. If the closed session is pursuant to paragraph (1), the memorandum shall include the title of the litigation. If the closed session is pursuant to subparagraph (A) or (B), the memorandum shall include the existing facts and circumstances on which it is based. The legal counsel shall submit the memorandum to the state body prior to the closed session, if feasible, and in any case no later than one week after the closed session. The memorandum shall be exempt from disclosure pursuant to Section 6254.25.
- (iii) For purposes of this subdivision, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator.
- (iv) Disclosure of a memorandum required under this subdivision shall not be deemed as a waiver of the lawyer-client privilege, as provided for under Article 3 (commencing with Section 950) of Chapter 4 of Division 8 of the Evidence Code.
- (f) In addition to subdivisions (a), (b), and (c), nothing in this article shall be construed to do any of the following:
- (1) Prevent a state body operating under a joint powers agreement for insurance pooling from holding a closed session to discuss a claim for the payment of tort liability or public liability losses incurred by the state body or any member agency under the joint powers agreement.
- (2) Prevent the examining committee established by the State Board of Forestry and Fire Protection, pursuant to Section 763 of

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the Public Resources Code, from conducting a closed session to consider disciplinary action against an individual professional forester prior to the filing of an accusation against the forester pursuant to Section 11503.

- (3) Prevent an advisory committee established by the California Board of Accountancy pursuant to Section 5020 of the Business and Professions Code from conducting a closed session to consider disciplinary action against an individual accountant prior to the filing of an accusation against the accountant pursuant to Section 11503. Nothing in this article shall be construed to prevent an examining committee established by the California Board of Accountancy pursuant to Section 5023 of the Business and Professions Code from conducting a closed hearing to interview an individual applicant or accountant regarding the applicant's qualifications.
- (4) Prevent a state body, as defined in subdivision (b) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in closed session by the state body whose authority it exercises.
- (5) Prevent a state body, as defined in subdivision (d) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in a closed session by the body defined as a state body pursuant to subdivision (a) or (b) of Section 11121.
- (6) Prevent a state body, as defined in subdivision (e) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in a closed session by the state body it advises.
- (7) Prevent the State Board of Equalization from holding closed sessions for either of the following:
- (A) When considering matters pertaining to the appointment or removal of the Executive Secretary of the State Board of Equalization.
- (B) For the purpose of hearing confidential taxpayer appeals or data, the public disclosure of which is prohibited by law.
- (8) Require the State Board of Equalization to disclose any action taken in closed session or documents executed in connection with that action, the public disclosure of which is prohibited by law pursuant to Sections 15619 and 15641 of this code and Sections 833, 7056, 8255, 9255, 11655, 30455, 32455, 38705, 38706, 43651,

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1 45982, 46751, 50159, 55381, and 60609 of the Revenue and 2 Taxation Code.

- (9) Prevent the California Earthquake Prediction Evaluation Council, or other body appointed to advise the Director of the Office of Emergency Services or the Governor concerning matters relating to volcanic or earthquake predictions, from holding closed sessions when considering the evaluation of possible predictions.
 - (g) This article does not prevent either of the following:
- (1) The Teachers' Retirement Board or the Board of Administration of the Public Employees' Retirement System from holding closed sessions when considering matters pertaining to the recruitment, appointment, employment, or removal of the chief executive officer or when considering matters pertaining to the recruitment or removal of the Chief Investment Officer of the State Teachers' Retirement System or the Public Employees' Retirement System.
- (2) The Commission on Teacher Credentialing from holding elosed sessions when considering matters relating to the recruitment, appointment, or removal of its executive director.
- (h) This article does not prevent the Board of Administration of the Public Employees' Retirement System from holding closed sessions when considering matters relating to the development of rates and competitive strategy for plans offered pursuant to Chapter 15 (commencing with Section 21660) of Part 3 of Division 5.
- (i) This article does not prevent the Managed Risk Medical Insurance Board from holding closed sessions when considering matters related to the development of rates and contracting strategy for entities contracting or seeking to contract with the board pursuant to Part 6.2 (commencing with Section 12693), Part 6.3 (commencing with Section 12699.50), or Part 6.5 (commencing with Section 12700) of Division 2 of the Insurance Code.
- (j) This article does not prevent the board of the State Compensation Insurance Fund from holding closed sessions in the following circumstances:
- (1) When considering matters related to claims pursuant to Chapter 1 (commencing with Section 3200) of Part 1 of Division 4 of the Labor Code, to the extent that confidential medical information or other individually identifiable information would be disclosed.

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 (2) To the extent that matters related to audits and investigations that have not been completed would be disclosed.

- (3) To the extent that an internal audit containing proprietary information would be disclosed.
- (4) To the extent that the session would address the development of rates, contracting strategy, underwriting, or competitive strategy, pursuant to the powers granted to the board in Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code, when discussion in open session concerning those matters would prejudice the position of the State Compensation Insurance Fund.
- (k) The State Compensation Insurance Fund shall comply with the procedures specified in Section 11125.4 with respect to any closed session or meeting authorized by subdivision (j), and in addition shall provide an opportunity for a member of the public to be heard on the issue of the appropriateness of closing the meeting or session.
- SEC. 55. Section 127785 of the Health and Safety Code is repealed.
- SEC. 56. Section 128030 of the Health and Safety Code is amended to read:
- 128030. The office, in cooperation with the California Commission on Higher Education Performance and Accountability, shall administer the program established pursuant to this article and shall for this purpose, adopt regulations as it determines are reasonably necessary to carry out this article.
- SEC. 57. Section 24357.8 of the Revenue and Taxation Code is amended to read:
- 24357.8. (a) In the case of a qualified research contribution, the amount otherwise allowed as a deduction under Section 24357, shall be reduced by that amount of the reduction provided by Section 24357.1 that is no greater than the sum of the following:
- (1) One-half of the amount computed pursuant to Section 24357.1 (computed without regard to this paragraph).
- (2) The amount, if any, by which the charitable contribution deduction under this section for any qualified research contribution (computed by taking into account the amount determined by paragraph (1), but without regard to this paragraph) exceeds twice the basis of the property.

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(b) For purposes of this section, "qualified research contribution" means a charitable contribution by a taxpayer of tangible personal property described in paragraph (1) of Section 1221 of the Internal Revenue Code, but only if all of the following conditions are met:

- (1) The contribution is to an educational organization that is described in subsection (b)(1)(A)(ii) of Section 170 of the Internal Revenue Code and that is an institution of higher education, as defined in Section 3304(f) of the Internal Revenue Code of 1954, in California.
- (2) The contribution is made not later than two years after the date the construction of the property is substantially completed.
 - (3) The original use of the property is by the donee.
- (4) The property is scientific equipment or apparatus substantially all of the use of which by the donee is for research or experimentation, within the meaning of Section 24365, or for research training, in physical, applied, or biological sciences, or for instructional purposes.
- (5) The property is not transferred by the donee in exchange for money, other property, or services.
- (6) The taxpayer receives from the donee a written statement representing that its use and disposition of the property will be in accordance with this section, and with respect to property substantially all of the use of which is for instructional purposes, the taxpayer receives from the donee a written statement representing that the property will be used as an integral part of the instructional program. In the case of a computer, the statement shall also represent that the donee has acquired or will acquire, necessary basic operational software and the means to provide trained staff to utilize the property.
- (7) The contribution is made on or after July 1, 1983, and on or before December 31, 1993.
- (8) The taxpayer shall report to the Franchise Tax Board, on forms prescribed by the board, the name and address of the recipient educational organization, a description of the qualified charitable contribution, the fair market value of the contribution, and the date the contribution was made. The taxpayer shall forward a copy of the forms, along with the written statements prescribed in paragraph (6), to the following:

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(A) The President of the University of California, in the case 2 of contributions to institutions within the University of California 3

- (B) The California Commission on Higher Education Performance and Accountability, in the case of contributions to private institutions.
- (C) The Chancellor of the California State University, in the case of contributions to institutions within the California State University system.
- (D) The Chancellor of the California Community Colleges, in the case of contributions to institutions within the California Community College system.
- (c) For purposes of this section, the term "taxpayer" shall not include a service organization, as defined in Section 414(m)(3) of the Internal Revenue Code.
- SEC. 58. Section 10529 of the Unemployment Insurance Code is amended to read:
- 10529. (a) The services provided by the existing labor market information system within the department shall include workforce and economic information that does all of the following:
- (1) Provides data and information to the state Workforce Investment Board created pursuant to Section 2821 of Title 29 of the United States Code, to enable the board to plan, operate, and evaluate investments in the state's workforce preparation system that will make the California economy more productive and competitive.
- (2) Provides data and information for continuous strategic planning and the development of policies for the growth and competitiveness of the California economy.
- (3) Identifies and combines information from various state databases to produce useful, geographically based analysis and products, to the extent possible using existing resources.
- (4) Provides technical assistance related to accessing workforce and economic information to local governments, public-sector entities, research institutes, nonprofit organizations, and community groups that have various levels of expertise, to the extent possible using existing resources.
- (b) The department shall coordinate with the State Department of Education, the Chancellor of the California Community 40 Colleges, the State Department of Social Services, the California

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Commission on Higher Education Performance and Accountability, the Department of Finance, and the Franchise Tax Board in developing economic and workforce information. The department shall also solicit input in the operation of the program from public and private agencies and individuals that make use of the labor market information provided by the department.

SEC. 59. Section 4341.5 of the Welfare and Institutions Code is amended to read:

4341.5. In order to ensure that there will be an adequate number of qualified psychiatrists and psychologists with forensic skills, the State Department of State Hospitals shall, to the extent resources are available, plan with the University of California, private universities, and the California Commission on Higher Education Performance and Accountability for the development of programs for the training of psychiatrists and psychologists with forensic skills, and recommend appropriate incentive measures, such as state scholarships.

SEC. 60. Section 4421 of the Welfare and Institutions Code is amended to read:

4421. In order to ensure that there will be an adequate number of qualified psychiatrists and psychologists with forensic skills, the State Department of Developmental Services shall plan with the University of California, private universities, and the California Commission on Higher Education Performance and Accountability for the development of programs for the training of psychiatrists and psychologists with forensic skills.